

**Absa
Value Plus
Motor Vehicle Policy**

PREAMBLE

This policy represents the contract between ABSA Insurance Company Limited (“the Company/we/us”) and the Insured (“yourself/you”) named in the schedule which forms part of this policy, and on receipt of payment of the premium by you to us or on our behalf the policy provides indemnity or compensation following the loss or damage occurring during the policy period and up to the sums stated in the schedule subject to the provisions of this policy.

SECTION 1 – COVER PROVIDED

We will indemnify you against loss of or damage to the vehicle described in the schedule, including its fixtures and fittings while permanently fitted thereto, and car radios, tape decks and other sound equipment if stated in the schedule to be included (excluding compact disc recordings and audio tapes), windscreen glass or headlamps and, in so indemnifying, we may at our option repair, reinstate or replace the vehicle or may pay in cash the amount of the loss, but subject to the maximum indemnity stated in the schedule. In the event of any part being unprocurable as a standard (ready manufactured) article within the Republic of South Africa, our liability shall be discharged by the payment equal to the value of such part at the time of such at the time of such loss, and the reasonable cost of freight (other than by air) and current labour charge for fitting, plus any import duty or tax applicable thereto.

For purposes of this policy the term “reasonable market value of the vehicle” shall be deemed to be the average of the trade and the retail of a vehicle of the same model and year of manufacture, including the value of factory fitted sound equipment, as reflected in Mead & McGrouther’s Auto Dealers’ guide for the year and month in which the loss took place.

Credit Agreements

If it is timeously brought to our notice in writing that the vehicle is the subject of any financial agreement, then, in the event of our electing to pay in cash the amount of loss or damage, payment shall be made to the owner described in such agreement, whose receipt shall be a full and final discharge of our liability in respect of such loss or damage.

Towing and Protection Charges

If the vehicle is disabled by reason of any loss or damage insured under this section, we will pay the reasonable cost of protection and removal to the nearest repairers and delivery after repair to your address, which must be an address in the Republic of South Africa, up to an amount of R750 (seven hundred and fifty rand) unless otherwise agreed by us.

Specific Exceptions

We shall not be liable for

- (a) consequential loss from any cause whatsoever;
- (b) wear and tear, mechanical or electrical breakdowns, failures or breakages (including such mechanical or electrical breakdowns, failures or damages as

- are attributable to the manner or condition in which the vehicle is at any time kept, maintained, driven or used);
- (c) damage to tyres by application of breaks or by punctures, cuts or bursts;
 - (d) damage to springs due to inequalities of the road or other surface, or due to impact with such inequalities;
 - (e) depreciation, which shall mean diminution in value of the vehicle from whatever cause, including diminution consequent upon the vehicle having sustained damage insured under this section notwithstanding the repair of such damage in terms of this section.

Section 2 – LIABILITY TO THIRD PARTIES

In the event of an accident caused by or in connection with the insured vehicle or the towing of a disabled vehicle attached to the insured vehicle or the towing of a vehicle attached to the insured vehicle (other than for reward) (as defined in the policy), we will indemnify you against all sums including claimants costs and expenses which you shall be legally liable to pay, including all costs and expenses as may be incurred with our written consent in respect of the following

- (i) death or bodily injury to any person, excluding
 - (a) any person who is a member of your immediate family;
 - (b) any person who normally resides at you residence, including domestic servants
 - (c) any person being conveyed in or on a caravan, or in the open portion of a vehicle or trailer, or entering or getting on to or alighting from an vehicle;
 - (d) any of your employees while in the course of employment.
- (ii) Damage to property other than the property belonging to you or held in trust by you or in your custody or control or being conveyed by, loaded into or unloaded from the insured vehicle, or any trailer or towed disabled vehicle attached to the insured vehicle.

In terms of this section we will indemnify any person who is driving or using the vehicle on your order or with your permission, provided that such person

- (a) is not entitled to indemnify under any policy;
- (b) shall (as though he were you) observe, fulfil and be subject to the terms, conditions and exceptions of this policy; and
- (c) has not been refused any motor vehicle insurance or continuance thereof by any insurance company or underwriter.

We shall be entitled, at our discretion, to arrange for representation at any inquest or other inquiry in respect of any death or other event which may be the subject of indemnity under this section, or to defend in any Court of Law any criminal or other proceedings in respect of any act arising from or relating to any event which may be the subject of indemnity under this section,

Unless otherwise stated in the schedule, our liability under this section shall be limited in respect of any one accident or series of accidents arising out of any one occurrence, to R1 000 000 (one million rand), save that in respect of liability directly or indirectly arising from or in consequence of fire, our liability shall be limited to R100 000 (one hundred thousand rand).

Specific Exceptions

- (a) We shall not be liable in respect of any claim which falls within the ambit and scope of:
- (i) the Multilateral Motor Vehicle Accident Fund Act 93 of 1989; or
 - (ii) the Motor Vehicle Accidents Act, No 84 of 1986; or
 - (iii) the Motor Vehicle Insurance Fund Act No 30/1 986 (Botswana), or
 - (iv) Order No 26/1986 (Lesotho); or
 - (v) Act 13/1991 (Swaziland); or
 - (vi) the Namibian Motor Vehicle Accidents Act, No 30 of 1990,

together with any regulations made in terms of the aforesaid enactments, or any replacement of these enactments by any state failing within the area which, on 1 January 1976, constituted the Republic of South Africa.

This exception shall apply whether or not insurance under the aforesaid enactments may be in force, or has been effected, and irrespective of whether such compensation is received by any claimant; or whether any agent of fund responsible for the payment of such compensation is able or capable of the payment of the compensation to any claimant or whether any claimant is able to obtain payment from any person liable for such payment in terms of the aforesaid enactments and regulations.

- (b) We shall not be liable for death, injury or damage caused or arising as follows
- (i) beyond the limits of any carriageway or throughfare in connection with the bringing of a load to the vehicle (other than a Class I vehicle) for loading thereon, or the taking away of a load from such vehicle after unloading therefrom;
 - (ii) out of the operation, demonstration or use of any tool or plant forming part of or attached to or used in connection with such vehicle or trailer, or anything manufactured by or contained in any such tool or plant, when used for purposes other than maintenance or repair of the vehicle or trailer.
- (c) We shall not be liable for damage
- (i) to any viaduct, bridge or weighbridge, or to any road or anything beneath the insured vehicle, when caused by vibration or by the weight of such vehicle or load carried thereon;
 - (ii) to any vehicle being towed;
 - (iii) to property belonging to you or held in your trust or your custody or control, or being conveyed by, loaded on to or unloaded from your vehicle;
 - (iv) when damage is caused by impact with the load only.

In the event of the accident involving indemnity to more than one person, any limitation by the terms of this policy of the amount of any indemnity shall apply to the aggregate amount of indemnity to all persons indemnified, and such indemnity shall apply in priority to you.

SECTION 3 - VEHICLE CLASSIFICATION

Class 1

Private type motor cars, including station wagons and like vehicles designed to seat not more than 12 people including the driver, as well as LDVs, Microbuses and Panel Vans not exceeding 3500kg,

Class 2

Motorcycles, including motor scooters and three wheeled vehicles.

Class 3

Caravans and trailers (normally towed by Class 1 vehicles).

Claim-Free Rating

In the event of no claim being made or arising under this policy during a policy period specified immediately preceding the renewal of this policy, the renewal premium will be based on the relevant scale according to the classification of the vehicle, if more than one vehicle is insured under this policy, the claim-free rating shall be applied as if a separate policy had been issued in respect of each such vehicle,

A claim-free rating may not be transferred to a substitute policy holder.

Claim-free groups (applicable to Class 1 Comprehensive Cover vehicles only)

We will reduce your renewal premium if no claim arises under this policy in accordance with the following:

Policy Period	Claim-Free Group
the previous year	1
the previous two years	2
the previous three years	3
the previous four years	4
the previous five or more years	5

If you make one claim or more in any period of insurance in which your premium is calculated under claim-free groups 5 and 4, the claim-free group will be reduced at the next renewal from 5 to 3 and from 4 to 2 as the case may be.

If a claim is made while your premium is rated under claim-free groups 1 to 3, no discount will apply from, the next renewal.

Your claim-free group is not transferable to anyone else. If this policy covers more than one vehicle, your claim-free group will apply as if a separate policy has been issued for each vehicle.

No-Claim Bonus Provision (where proof is not provided)

In the event of a claim, the onus is on you to produce evidence that the No-Claim Bonus discount allowed in the schedule is correct

Should you fail to substantiate the discount as stated, we shall have the right to increase the first amount payable (Excess) in respect of such claim, or to apply the

correct no-claim bonus or to declare this policy void from inception as we in our sole discretion may deem fit

First Amount(s) Payable (Excesses)

In respect of any claim under this policy you shall be responsible for the first amount payable as stated in the attached schedule, If the expenditure incurred by us (including any payment in respect of costs, expenses and fees) shall include the first amount payable or part thereof, such amount shall be repaid by you to us.

Description of Use Clause

Private use

- (a) social, domestic and pleasure purposes, including travelling to and from work. The indemnity to you shall continue to operate while such vehicle is in the custody or control of a member of the motor trade and is used solely for the purpose of its overhaul, upkeep or repair.

Business use

- (a) your business or occupation, provided it is so stated in the schedule to this policy, but excluding
 - (i) hiring, carriage of passengers for hire or reward, driving instruction for reward; and/or
 - (ii) racing, speed or other contests, rallies, trials; and/or
 - (iii) carriage of any load or passengers exceeding that load or number of passengers for which the vehicle was originally designed and/or originally constructed and/or originally intended and/or originally licensed to carry; and/or
- (b) The indemnity to you shall continue to operate while such vehicle is in the custody or control of a member of the motor trade and is used solely for the purpose of its overhaul, upkeep or repair,

SASRIA (if stated in the schedule to be included)

Inclusion of this wording evidences that in respect of the vehicle described in the schedule, we have purchased cover on your behalf for what is generally known as unrest, riot strike or public disorder, which cover is more fully described in the SASRIA (South African Special Risks Insurance Association) policy document a copy of which is available on request

Towing Disabled Vehicles

This policy shall be operative while any motor vehicle described in the schedule is being used for the purpose of towing any one disabled mechanically propelled vehicle and the Company will indemnify the Insured in terms of section 2 of the policy in respect of liability in connection with the towed vehicle.

Always provided that:

- 3 such vehicle is not towed for reward;
- 4 the Company will not be liable by reason of the policy in respect of damage to the towed vehicle or property being conveyed by such vehicle.

SECTION 4 - GENERAL TERMS AND CONDITIONS

1 Duty to prevent loss

You must take all reasonable precautions to prevent loss, damage or accidents and must maintain the vehicle in an efficient and roadworthy condition in compliance with the Road Traffic Act 29 of 1989 (as amended or substituted) and the regulations promulgated thereunder; eg, The condition and tread depth of the vehicle tyres must comply with the requirements of the aforementioned act. The onus is on you to prove that the vehicle is in a roadworthy condition in the event of dispute.

2 Observance of policy terms

It is a condition precedent that any person claiming indemnity or benefit must observe the terms, conditions and endorsements of this policy otherwise all cover shall be forfeited.

3 Misrepresentation

Any material misrepresentation or non-disclosure, whether innocent intentional or negligent shall render the policy voidable, it being agreed that any misrepresentation or non-disclosure relating to the use of the vehicle or any no-claim bonus shall be material.

4 Claim

If any incident occurs which gives rise to a claim

- (i) you or your legal representative must
 - (a) notify us of the incident as soon as possible but not later than 30 days from the date of occurrence giving us full written details, including details of any other insurance which may cover the incident
 - (b) provide us (at your expense) with any evidence we may require;
 - (c) forward to us any documents or details of any communication you may receive in connection with the incident;
 - (d) notify the police immediately of any loss or theft of the vehicle, and take all reasonable precautions to secure recovery and/or a conviction.
- (ii) you may not
 - (a) admit, reject offer, promise, make payments or otherwise negotiate on any claim without our written consent,
 - (b) abandon the vehicle whether or not we have taken possession.

5 Vehicle modification

Unless you have notified us in writing of any modification or alteration to your vehicle and we sanction such modification or alteration, all cover under this policy shall cease.

6 Amendment to driver's licence

Any endorsement, suspension or cancellation of your licence during the currency of this policy (including a charge of or conviction for negligent reckless or improper driving) shall be notified to us in writing.

7 Premium receipt

It is a material term of this contract that the premium applicable must be received by us or on our behalf, and that this policy will only provide cover following such receipt.

8 Fraud

If any claim under this policy be in any respect fraudulent, or if any fraudulent means or devices be used by you or anyone acting on your behalf to obtain benefit under this policy, all benefit under this policy in respect of such claim shall be forfeited.

9 Other insurance

In the event of a claim where there are other insurances covering the same property or circumstances, we will only pay our rateable proportion of any loss or damage.

10 Claims

We may at our expense and at our discretion

- (i) take over and conduct in your name, or in the name of any person claiming benefit under this policy, the defence or settlement of any claim;
- (ii) take legal action (for our benefit) to recover from other persons, or their representative, the amount of any claim;
- (iii) compensate you following theft of your vehicle as soon as the investigation is completed and the relevant documentation received;
- (iv) take possession of any damaged vehicle and deal with it reasonably.

11 Prescription

If we disclaim liability for any claim made or contemplated under this policy, we are relieved of all liability unless the claim is the subject of legal proceedings instituted within 90 days of such disclaimer and in any event and in no case whatsoever shall we be liable under this policy after the expiry of 12 months from the happening of the event unless the claim is the subject of legal proceedings instituted before the expiry of such period.

12 Interest

We shall not be liable for interest on any claim.

13 Cancellation

This policy may be cancelled at any time by you or by us on giving 30 days' notice in writing. If a monthly debit is returned unpaid, cover under this policy will cease on the last day of the period for which the premium has been paid,

14 Jurisdiction

Any dispute over the cover granted by this policy shall be subject to the jurisdiction of the courts of the Republic of South Africa.

15 Road worthiness of vehicle

We shall at all times have access to examine your motor vehicle in order to determine its roadworthiness,

16 Notices

We reserve the right to vary the terms of this policy upon 30 days written notice mailed to you at your last known postal address, which notice shall be irrevocably deemed to have been received by you within 7 days of posting.

17 Termination of cover (where premium is payable by bank order or by transmission account)

The premium is due in advance and if it is not received by the 7th day following due date, this policy shall be deemed to have been cancelled at midnight on the last day of the preceding period of insurance, unless the Insured can show the failure to make payment was an error on the part of his bank or other paying agent. If the payment is by bank debit order, the due date shall be the 1st of every calendar month.

18 Average

If the property hereby insured shall at the time of any loss be collectively of greater value than the sum insured thereon then the insured shall be considered as being his own insurer for the difference and shall bear a

rateable proportion of the loss accordingly. Every item, if more than one, of the policy shall be separately subject to this condition,

SECTION 5 - GENERAL EXCEPTIONS

This policy does not cover:

1 Loss or damage to property related to or caused by

- (i) civil commotion, labour disturbances, riot strike, lock-out or public disorder or any act or activity which is calculated or directed to bring about any of the above;
- (ii) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war;
- (iii) (a) mutiny, military rising, military or usurped power, martial law or state of siege, or any other event or cause which determines the proclamation or maintenance of martial law or state of siege;
(b) insurrection, rebellion or revolution;

- (iv) any act (whether on behalf of any organisation, body or person or group of persons) calculated or direct A to overthrow or influence any State or Government or any provincial, local or tribal authority with force or by means of fear, terrorism or violence;

- (v) any act which is calculated or directed to bring about loss or damage in order to further any political aim, objective or cause or to bring about any social or economic change or in protest against any State or Government or any provincial, local or tribal authority, or for the purpose of inspiring fear in the public or any section thereof;

- (vi) any attempt to perform any act referred to in clause (iv) or (v) above;

- (vii) the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in clause (i), (ii), (iii), (iv), (v) or (vi) above,

If we allege that, by reason of clause (i), (ii), (iii), (iv), (v), (vi) or (vii) of these General Exceptions, loss or damage is not covered by this policy, the burden of proving the contrary shall rest on you.

- 2 Loss or damage caused directly or indirectly by or through or in consequence of any occurrence for which a fund has been established in terms of the War Damage Insurance and Compensation Act, 1 976 (No 85 of 1 976) or any similar Act operative in any of the areas to which this policy applies.

- 3 Loss, damage or liability directly or indirectly caused by or arising from or in consequence of or contributed to by nuclear weapons material, or by ionising radiation or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel, For the purposes of these general exceptions only, combustion shall include any self-sustaining process of nuclear fission.

- 4 Liability assumed by agreement other than liability which would have arisen if such agreement had not been entered into.
- 5 Consequential loss or damage of any kind except if specifically provided for.
- 6 Any accident, injury, loss, damage or liability caused, sustained or incurred outside the Republic of South Africa, Namibia, Lesotho, Botswana and Swaziland save for any claim under section 1 of this policy arising while the vehicle is in transit by sea between ports within the territorial limits as defined, including loading and unloading incidental to such transit.
- 7 Any accident, injury, loss, damage or liability caused, sustained or incurred while any vehicle insured under this policy is being
 - (a) used otherwise than in accordance with use as defined;
 - (b) driven by you or with your knowledge and consent by any named driver
 - (i) unless such driver is licensed to drive such vehicle in accordance with the legislation of the territory in which the vehicle is being used, or having been so licensed is not disqualified from holding or obtaining such licence;
 - (ii) while such driver is under the influence of intoxicating liquor or drugs (and for the purpose of this policy a person shall be deemed to be under the influence of liquor if the level of alcohol in his blood exceeds any maximum level that may be imposed by law).
- 8 Any loss (including loss of possessions), damage, accident, injury, liability, costs and/or expenses directly or indirectly occasioned by or through or in consequence of nationalisation, confiscation, commandeering or requisition by any lawfully constituted authority.

SECTION 6 - EXTENSIONS

1 Loss of keys

We will indemnify you in respect of the cost of replacing locks and keys, including the remote alarm controller arid, if necessary, the reprogramming of any coded alarm system of any insured vehicle, following upon the disappearance of any key or alarm controller of such vehicle, or following upon your having reason to believe that any unauthorised person may be in possession of a duplicate of such key or alarm controller, provided that

- (i) our liability shall not exceed R750 (seven hundred and fifty rand) in respect of any one event;
- (ii) such amount shall be reduced by the first amount payable as per attached

2. Emergency expenses

We will indemnify you against out-of-pocket expenses incurred as a direct result of loss or damage to the insured vehicle, provided that

- (i) the loss or damage occurs not less than I 00 kni from your normal residence;

(ii) our liability is limited to not more than R1 00 (one hundred rand) per day for a maximum of three days.

3 Credit shortfall (if stated to be included in the schedule)

In the event of there being a balance outstanding on a financial agreement with a Financial Institution after a claim has been paid on a total loss basis, we will settle the amount outstanding under such financial agreement after the deduction of the first amount payable as stated in the policy and subject to the maximum sum insured as stated in the schedule..

4 Replacement Value

in so far as this insurance applies to a vehicle, if within six months of its first registration and before it has been driven for not more than 30 000 kilometres, such vehicle is -

(a) stolen and not recovered or

(b) damaged to the extent that the cost of repairs exceeds 70% of its reasonable market value plus taxes when new, the basis of Indemnity will be the current cost of a new vehicle of the same or similar model subject to a limit of 120% of the maximum sum insured (less the first amount payable) as stated in the policy.

5 Medical expenses

If any occupant carried in the passenger compartment of the insured vehicle sustains any accidental bodily injury, we will pay the insured the medical expenses in connection with the injury up to an amount of R1 000 (one thousand rand) in respect of each occupant injured.

6 Car Sound Equipment (if stated to be included in the Schedule)

We will indemnify the Insured against loss or damage of or damage to car sound equipment/accessories (excluding audio tapes and compact disc recordings).

In the event of a claim the onus shall be on the Insured to furnish proof of value and that such sound equipment was fitted to the vehicle prior to any such loss suffered.

The Insured shall be liable for the first amount payable as stated in the attached addendum.

We shall not be liable for loss of or damage to car sound equipment attached to/fitted to an anti-theft bracket or similar detached device while the vehicle is unattended unless such sound equipment is stolen from a securely locked boot and entry is gained by forcible and violent entry.

7 Voluntary First Amount Payable

In the event that you elect to increase the basic first amount payable, you will qualify for a discount of premium as set out in the schedule.